

**Dan Lips, Senior Fellow, Foundation for American Innovation
Written Testimony for the U.S. House of Representatives,
Committee on Oversight and Government Reform
Subcommittee on Delivering on Government Efficiency**

Locking in the DOGE Cuts: Ending Waste, Fraud, and Abuse for Good

Chairwoman Greene, Ranking Member Stansbury, and Members of the Subcommittee:

Thank you for the opportunity to testify. My name is Dan Lips. I am a senior fellow with the Foundation for American Innovation, an organization dedicated to developing technology, talent, and ideas that support a better, freer, and more abundant future. Before FAI, I worked on the staff of the Senate Homeland Security and Governmental Affairs Committee, where I advised members on government oversight and helped advance bipartisan legislation to increase government efficiency. Over the past six years, a focus of my work at FAI has been improving government efficiency by leveraging nonpartisan government reform recommendations from the Government Accountability Office. For example, our organization provided recommendations to the Select Committee on the Modernization of Congress on improving the use of government oversight by Congress. The bipartisan Improving Government for America's Taxpayers Act that became law in 2022 was consistent with our recommendations.¹

My testimony focuses on three points.

First, the United States government is on an unsustainable fiscal path. Improving government efficiency and preventing waste, fraud, and abuse can help address this problem by delivering hundreds of billions of dollars of savings for American taxpayers.

Second, American taxpayers should welcome the Trump administration's renewed focus on increasing government efficiency, which follows similar initiatives by past Republican and Democratic administrations.

¹ James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, 136 Stat. 2395 (2022), <https://www.congress.gov/117/plaws/publ263/PLAW-117publ263.pdf>.

Third, Congress should use its legislative and appropriations powers to implement lasting reforms to increase government efficiency and reduce waste, fraud, and abuse.

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First, the federal government is on an unsustainable fiscal path, as the Biden administration’s Treasury Department noted last year.² The Treasury warned that the nation’s debt-to-GDP ratio was 97 percent at the end of FY 2023 and projected to grow to more than 500 percent by the end of the century. In February, the Comptroller General and GAO similarly described the federal government’s fiscal path as “unsustainable” and warned that it poses “serious economic, security, and societal challenges.”³ GAO noted that the federal government spent \$882 billion on net interest payments on the national debt last year, which is more than federal spending on Medicare and national defense. These payments will rise over time.

Waste, fraud, and abuse, along with the failure to promptly implement recommendations from nonpartisan watchdogs, cost the federal government hundreds of billions of dollars each year. GAO estimates that the federal government loses between \$233 billion and \$521 billion annually to fraud,⁴ which translates to a loss of between \$1,800 and \$4,000 per American household each year.⁵ Last year, the federal government reported estimated improper payments totaling \$162 billion, and over the past four years, these payments exceeded \$900 billion.⁶ The majority of these improper payments were overpayments.⁷ Implementing financial management and program integrity reforms could save hundreds of billions of dollars by reducing fraud and preventing misspending.

² Department of Treasury, *The Financial Report of the United States Fiscal Year 2023* (2024), [https://fiscal.treasury.gov/files/reports-statements/financial-report/2023/02-15-2024-FR-\(Final\).pdf](https://fiscal.treasury.gov/files/reports-statements/financial-report/2023/02-15-2024-FR-(Final).pdf).

³ GAO, GAO-25-107714, *The Nation’s Fiscal Health: Strategy Needed as Debt Levels Accelerate* (2025), <https://www.gao.gov/products/gao-25-107714>.

⁴ GAO, GAO-24-105833, *Fraud Risk Management: 2018–2022 Data Show Federal Government Loses an Estimated \$233 Billion to \$521 Billion Annually to Fraud, Based on Various Risk Environments* (2024), <https://www.gao.gov/products/gao-24-105833>.

⁵ Author’s calculations using data from “Number of Households in the U.S. from 1960 to 2023,” Statista, accessed July 25, 2024, <https://www.statista.com/statistics/183635/number-of-households-in-the-us/>.

⁶ GAO, GAO-25-107753, *Improper Payments: Federal Guidance Could Further Promote Effective Implementation of Payment Integrity Requirements* (2025), <https://www.gao.gov/products/gao-25-107753>.

⁷ GAO reported that approximately 84 percent of federal agencies’ estimated improper payments were overpayments in FY 2024.

In addition, Congress and the executive branch can achieve hundreds of billions in savings by enacting other nonpartisan watchdog recommendations. In 2024, in response to a congressional mandate, GAO estimated that the federal government could achieve “between \$106 billion and \$208 billion” in financial benefits by enacting open recommendations.⁸ In response to the Improving Government for America’s Taxpayers Act, sponsored by former Rep. Kilmer and Rep. Timmons, GAO reported last year that 242 of its recommendations for Congress were open at the time, including at least a dozen recommendations that would save more than \$1 billion.⁹ In addition, Congress and federal agencies could consider taking action to address the more than 14,000 open recommendations by Inspectors General, which could also yield substantial savings.¹⁰

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Second, American taxpayers should welcome the Trump administration’s renewed focus on increasing government efficiency, which follows similar initiatives by past administrations to enact government reforms to achieve taxpayer savings. For example, the Reagan administration launched the Grace Commission to review and identify government waste, and the administration made more than 600 rescission requests totaling nearly \$43 billion in spending, with Congress approving 36 percent of those requests.¹¹ During the Clinton administration, the National Performance Review spurred substantial government reforms, including streamlining federal operations, reducing bureaucracy, closing multiple agencies, and revising federal rules and regulations. Altogether, the Clinton-Gore government efficiency project reduced the federal workforce by 350,000 positions and saved an estimated \$137 billion.¹² President Obama enacted several government reform initiatives and established the National Commission on Fiscal Responsibility and Reform, which included provisions related to government efficiencies

⁸ GAO, GAO-24-107146, *Open GAO Recommendations: Financial Benefits Could Be between \$106 Billion and \$208 Billion* (2024), <https://www.gao.gov/assets/gao-24-107146.pdf>.

⁹ GAO, GAO-24-107261, *Recommendations for Congress: Action Can Produce Billions of Dollars in Financial and Other Benefits* (2024), <https://www.gao.gov/assets/gao-24-107261.pdf>.

¹⁰ “Open Recommendations,” Council of the Inspectors General on Integrity and Efficiency, accessed June 20, 2025, <https://www.oversight.gov/reports/recommendations>.

¹¹ Congressional Research Service, RL33869, *Rescission Actions Since 1974: Review and Assessment of the Record* (2010), https://www.everycrsreport.com/files/20100526_RL33869_f1233c24f4c0fdc02353ca40682217f6134a2e2d.pdf.

¹² Congressional Research Service, RL 30596, *The National Performance Review and Other Government Reform Initiatives: An Overview, 1993–2001* (2001), https://www.everycrsreport.com/files/20010604_RL30596_8f4af66aba0937c6bd45c4b8933f43353749ec02.pdf.

such as consolidating duplicative federal programs and activities. However, Congress never took action on the Simpson-Bowles recommendations to address the nation's fiscal challenges.

The Trump administration has prioritized increasing government efficiency, led by a new Department of Government Efficiency. Together, DOGE's actions over the past six months, along with several executive actions issued by the White House, aim to achieve substantial taxpayer savings through reforms of the federal government. DOGE's work has included terminating federal grants and contracts, downsizing the federal workforce, and significant reductions in the size of federal agencies. DOGE has estimated savings of \$180 billion to date.¹³ In addition, DOGE has estimated reducing federal regulations by 1.7 million words.¹⁴ Beyond these direct effects, DOGE has demonstrated how a White House can quickly embed political staff within federal agencies and execute the president's policy priorities immediately upon entering office.

The work of DOGE and the administration's broader focus on increasing government efficiency are reflected in President Trump's executive orders. For example, on March 25th, President Trump issued two executive orders—Protecting America's Bank Account Against Fraud, Waste, and Abuse,¹⁵ and Modernizing Payments to and from America's Bank Account¹⁶—that work in tandem to reduce improper federal payments by centralizing financial control under the Treasury Department and transitioning all government transactions to secure electronic formats. An earlier March executive order directed federal agencies to increase information sharing across agencies to help prevent improper payments and fraud.¹⁷ Together, these three executive actions have the potential to reduce improper payments and fraud substantially.

¹³ "Savings," Department of Government Efficiency, accessed June 20, 2025, <https://doge.gov/savings>.

¹⁴ Ibid.

¹⁵ Executive Order: Protecting America's Bank Account Against Fraud, Waste, and Abuse, Exec. Order No. 14249, 90 Fed. Reg. 14011, (2025), <https://www.whitehouse.gov/presidential-actions/2025/03/protecting-americas-bank-account-against-fraud-waste-and-abuse/>

¹⁶ Modernizing Payments to and from America's Bank Account, Exec. Order No. 14247, 90 Fed. Reg. 14001 (2025), <https://www.whitehouse.gov/presidential-actions/2025/03/modernizing-payments-to-and-from-americas-bank-account/>.

¹⁷ Stopping Waste, Fraud, and Abuse by Eliminating Information Silos, Exec. Order No. 14243, 90 Fed. Reg. 13681 (2025), <https://www.whitehouse.gov/presidential-actions/2025/03/stopping-waste-fraud-and-abuse-by-eliminating-information-silos/>.

In addition, President Trump has taken actions and issued executive orders related to major areas of DOGE’s focus. These actions include optimizing the federal workforce,¹⁸ initiating a hiring freeze for certain personnel,¹⁹ and reforming the probationary period for federal employees.²⁰ President Trump also issued an executive order directing federal agencies to review and rescind unlawful regulations, consistent with DOGE’s mission to review regulations.²¹ In April, President Trump issued an executive order to reform the federal government’s approach to real property and office space management.²² According to GAO, maintenance and repair backlogs associated with federal real property have “more than doubled to \$370 billion” since 2024.²³

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Third, Congress should use its legislative, appropriations, and oversight powers to implement lasting legislative reforms to increase government efficiency and reduce waste, fraud, and abuse. This work should include addressing open watchdog recommendations and build upon past bipartisan reform efforts.

In 2025, the issue of government efficiency has become yet another area of intense partisan debate. But many of these issues, such as reducing improper payments, preventing waste, fraud, and abuse, downsizing federal real property, and streamlining government operations, have been the focus of bipartisan legislation for decades. For example, Sen. Tom Coburn and then-Sen. Barack Obama partnered to champion the

¹⁸ Implementing the President’s “Department of Government Efficiency” Workforce Optimization Initiative, Exec. Order No. 14210, 90 Fed. Reg. 9669 (2025), <https://www.whitehouse.gov/presidential-actions/2025/02/implementing-the-presidents-department-of-government-efficiency-workforce-optimization-initiative/>.

¹⁹ White House, DCPD-202500496, *Memorandum on Extension of Hiring Freeze* (2025), <https://www.whitehouse.gov/presidential-actions/2025/04/extension-of-hiring-freeze/>.

²⁰ Strengthening Probationary Periods in the Federal Service, Exec. Order No. 14284, 90 Fed. Reg. 17729 (2025), <https://www.whitehouse.gov/presidential-actions/2025/04/strengthening-probationary-periods-in-the-federal-service/>.

²¹ Ensuring Lawful Governance and Implementing the President’s “Department of Government Efficiency” Regulatory Initiative, Exec. Order No. 14219, 90 Fed. Reg. 10583 (2025), <https://www.whitehouse.gov/presidential-actions/2025/02/ensuring-lawful-governance-and-implementing-the-presidents-department-of-government-efficiency-regulatory-initiative/>.

²² Restoring Common Sense to Federal Office Space Management, Ex. Order No. 90 Fed. Reg. 16445 (2025), <https://www.whitehouse.gov/presidential-actions/2025/04/restoring-common-sense-to-federal-office-space-management/>.

²³ GAO, GAO-25-108159, *Federal Real Property: Reducing the Government’s Holdings Could Generate Substantial Savings* (2025), <https://www.gao.gov/products/gao-25-108159>.

Federal Funding Accountability and Transparency Act of 2006, which created a public website to track federal spending and improve government transparency. Members of the House Oversight and Government Reform Committee and the Senate Homeland Security and Governmental Affairs Committee have a tradition of passing bipartisan government reform legislation.

I respectfully recommend that during the 119th Congress, Congress take the following actions to increase government efficiency and achieve taxpayer savings.

First, Congress should enact legislation to codify the Trump administration's reforms aimed at preventing misspending, including centralizing federal payment oversight within the Treasury Department, strengthening the Do Not Pay initiative, and increasing data and information sharing between federal agencies. The United States government cannot afford to waste as much as \$521 billion annually on fraud or to have federal agencies make more than \$900 billion in improper payments over four years. There have been past bipartisan legislative efforts to reduce improper payments and prevent fraud that could inform the Committee's approach to legislation. For example, Sen. Ernst recently introduced S. 1991,²⁴ which complements the administration's executive order to reduce improper payments and prevent fraud. The bill includes reforms that are similar to provisions from S. 4089,²⁵ the Fraud Prevention and Recovery Act, which Sen. Peters introduced in the last Congress.

Second, Congress should review open nonpartisan watchdog recommendations and enact reforms to achieve cost savings. For example, GAO reported in 2024 that since 2021, legislation had been introduced to address more than 100 of the 242 matters for congressional consideration that were open as of last March.²⁶ GAO's recommendations for Congress and federal agencies should provide a starting point for bipartisan government reform legislation.

²⁴ Delivering On Government Efficiency in Spending Act, S. 1991, 119th Cong. (2025), <https://www.congress.gov/bill/119th-congress/senate-bill/1991/cosponsors?s=3&r=1&q=%7B%22search%22%3A%22Delivering+On+Government+Efficiency+in+Spending+Act%22%7D>.

²⁵ Fraud Prevention and Recovery Act, S. 4089, 118th Cong., (2024), <https://www.congress.gov/bill/118th-congress/senate-bill/4089/text#toc-id64c4100eb43c4529891ec37285bbf921>.

²⁶ GAO, *Recommendations for Congress: Action Can Produce Billions of Dollars in Financial and Other Benefits*.

Third, Congress should use the annual appropriations and ongoing legislative reforms to reduce unnecessary spending and increase government efficiency. Congress can reduce Fiscal Year 2025 spending through rescissions and decrease future spending by lowering appropriations levels. In addition, Congress has an opportunity to enact government reforms on an ongoing basis by passing annual legislation (akin to the National Defense Authorization Act) aimed to increase government efficiency. By using its appropriations, legislative and oversight powers in a consistent manner, Congress can bring greater transparency and public input into the government reform process, rather than simply deferring this work to the executive branch.

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During the 119th Congress, lawmakers on both sides of the aisle have a historic opportunity to use Congress's legislative, appropriations, and oversight powers to increase government efficiency and begin to address the nation's fiscal and governance challenges.

Thank you for the opportunity to testify. I would welcome the opportunity to answer your questions.